

Section 3 - Procedure for Ordination

The procedure for ordination shall be as follows:

A. Each person fulfilling the above qualifications and upon their proper presentation to the Board of Directors of this body will receive full consideration for ordination into the ministry of the Gospel of Jesus Christ by

B. The Board may make exceptions to these qualifying standards wherein the unanimous opinion of the Board and under the strong compelling conviction of the Holy Spirit such exception is according to the will of God and consistent with His Word.

C. Upon unanimous approval of the Board of Directors, the candidate will be ordained as a minister of the Gospel with the right to perform ministerial functions in accordance with the laws of the land and the ordinances of God's Holy Word with all prerogatives of such a calling and office.

D. All candidates, successful or otherwise, will be notified of the Board's decision in writing within one week of the final Board action.

MINUTES OF FIRST MEETING OF
BOARD OF DIRECTORS OF
TRANSLATOR T.V., INC.

The Directors of the above named corporation, constituting the Board of Directors of said corporation, held their first meeting at the time, on the day and at the place set forth as follows:

TIME: 3:00 p.m.

DATE: September 19, 1980

PLACE: Tustin, California

There were present at the meeting the following Directors, constituting a quorum of the full Board:

Paul F. Crouch

Pearl Jane Duff

On motion and by unanimous vote, the following named persons were elected Temporary Chairman and Secretary of the first meeting:

Temporary Chairman: Paul F. Crouch

Temporary Secretary: Pearl Jane Duff

The Chairman announced that the meeting was held pursuant to written Waiver of Notice thereof and Consent thereto signed by all of the Directors of the corporation; such waiver and consent was presented to the meeting and upon motion duly made, seconded, and unanimously carried, was made a part of the records of the meeting and now precedes the minutes of this meeting in the Book of Minutes of the corporation.

The Chairman stated that the original Articles of Incorporation had been filed in the office of the California Secretary of State. The Chairman presented to the meeting a certified copy of said Articles of Incorporation and the Secretary was directed to insert said copy in the Book of Minutes of the corporation.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Paul F. Crouch, named as the initial agent for service of process in the Articles of Incorporation of this corporation, is hereby confirmed as this corporation's agent for the purpose of service of process.

The matter of the adoption of By-laws for the regulation of the corporation was next considered. The Secretary presented to the meeting a form of By-laws which were duly considered and discussed. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

WHEREAS, the Directors of this corporation have not as yet adopted any By-laws for the regulation of its affairs; and

WHEREAS, there has been presented to this meeting a form of By-laws for the regulation of the affairs of this corporation; and

WHEREAS, it is deemed to be to the best interests of this corporation that said By-laws be adopted by this Board of Directors as and for the By-laws of this corporation;

NOW, THEREFORE, BE IT RESOLVED, that the By-laws presented to this meeting and discussed hereat be and the same hereby are adopted as and for the By-laws of this corporation until amended or repealed in accordance with applicable law.

RESOLVED, FURTHER, that the Secretary of this corporation be, and hereby is, authorized and directed to execute a certificate of the adoption of said By-laws and to insert said By-laws as so certified in the Book of Minutes of this corporation and to see that a copy of said By-laws, similarly certified, is kept at the principal office for the transaction of business of this corporation.

The meeting then proceeded to the election of a President, Vice President, Secretary and a Chief Financial Officer. The following were duly elected to the offices indicated after the names of each:

| | |
|------------------------|-------------------------|
| Paul F. Crouch | President |
| Pearl Jane Duff | Vice President |
| Pearl Jane Duff | Secretary |
| Phillip David Espinoza | Chief Financial Officer |

The Secretary presented for the approval of the meeting a proposed seal of the corporation consisting of the words Translator T.V., Inc., and the words and figures "INCORPORATED California," in the form and figures as follows:

On motion duly made, seconded, and unanimously carried the following resolution was adopted:

RESOLVED, that the corporate seal in the form, words, and figures presented to this meeting be and the same hereby is adopted as the seal of this corporation.

After some discussion, the location of the principal office of the corporation for the transaction of the business of the corporation was fixed pursuant to the following resolution unanimously adopted, upon motion duly made and seconded:

RESOLVED, that the location of the principal office for the transaction of the business of this corporation, until changed by subsequent resolution of this Board, shall be at 2442 Michelle Drive, Tustin, California.

The President suggested that the meeting consider the adoption of an accounting year, either fiscal or calendar, so that the Franchise Tax Board could be notified thereof. On motion duly made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED, that this corporation adopt an accounting year as follows:

DATE ACCOUNTING YEAR BEGINS: January 1
DATE ACCOUNTING YEAR ENDS: December 31

To provide for a depository for the funds of the corporation and to authorize certain Officers to deal with the corporate funds, the following resolutions were duly adopted:

RESOLVED, that all funds of this corporation be deposited with Hacienda Division of Mitsubishi Bank, 11900 Brookhurst, Garden Grove, California.

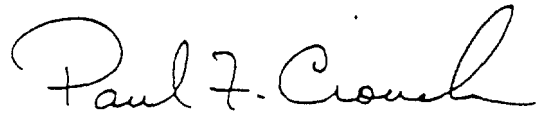
RESOLVED, FURTHER, that any two Officers acting together, or any Officer acting with Patricia Colavecchio, shall be authorized to endorse checks, drafts, or other evidences of indebtedness made payable to the order of this corporation, but only for the purpose of deposit; and

RESOLVED, FURTHER, that all checks, drafts, and other instruments obligating this corporation to pay money shall be signed on behalf of this corporation by any two Officers acting together.

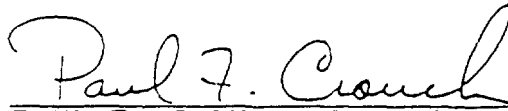
To provide for the payment of the expenses of incorporation and organization of the corporation, on motion duly made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED, that the President or Vice President and the Chief Financial Officer of this corporation be, and they hereby are, authorized and directed to pay the expense of the incorporation and organization of this corporation.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

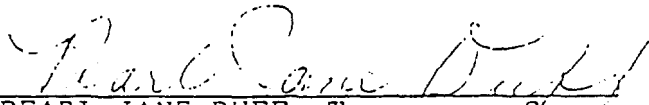


PAUL F. CROUCH, Temporary Chairman

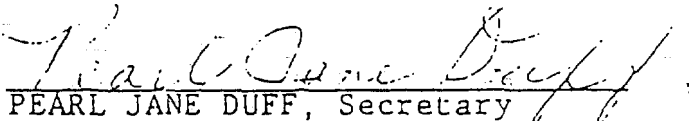


PAUL F. CROUCH, President and Chairman

ATTEST:



PEARL JANE DUFF, Temporary Secretary



PEARL JANE DUFF, Secretary

Liberal Reading of FCC Minority Rule Has Helped TBN's Growth

By MARK I. PINSKY, *Times Staff Writer*

The spectacular growth of Tustin-based Trinity Broadcasting Network has been aided in part by liberal interpretation of a federal policy designed to promote minority broadcast ownership, a review of federal documents shows.

For years, under Federal Communications Commission rules aimed at restraining the power of the major commercial networks, only seven full-power commercial television stations could be owned by a single individual, group or company. In 1984, under deregulation, the FCC raised the permissible number of commercial stations to 12, a mark that TBN reached in 1987.

Minority Clause

As TBN founder and president, Paul F. Crouch explained to his viewers in late October that he had been informed that under another FCC policy, the total could be raised to 14—if the additional two stations were "minority-owned" or controlled. The purpose of the provision, according to the FCC, was to provide the public with a "diversity of viewpoints" on the dial, as well as to encourage investment in minority organizations.

So, Crouch told his audience with a smile and characteristic candor, he promptly formed a new, non-profit, tax-exempt company called National Minority TV, with himself—a Caucasian—as president and one of three voting directors. He said he made one of his secre-

taries at TBN, Jane Duff, who is black, a director and vice president of NMTV, and the Rev. Phillip David Espinoza of La Trinidad Church in San Fernando director and secretary-treasurer, which meets the FCC requirements for minority control.

NMTV subsequently applied to build a new station in the Midland-Odessa, Tex., area and to purchase an existing one in Portland, Ore., with the intention of carrying TBN's full 24-hour slate of Christian programming.

(In addition to its 14 full-power commercial stations, TBN also owns three full-power educational stations and 75 low-power stations, the latter two not subject to ownership limitations. Together, these holdings make the network the largest holder of FCC licenses in the United States.)

Neither Is Paid

According to documents filed with the IRS, neither Duff, who earned \$21,405 for her work at TBN in 1987, nor Espinoza receives any additional compensation for serving as directors of the corporation. Duff, who has a secretary of her own and the title of assistant to the president, is also listed as a director of two of TBN's educational stations, KLUJ-TV, Harlingen, Tex., and KITV-TV, Beaumont, Tex., and she serves on the boards of TBN's station in Ciskei, South Africa, and another on the Caribbean island of Nevis. Her husband, Ralph Duff, an Irvine medical con-

sultant, is listed as assistant secretary and member of the board of Trinity Broadcasting of Florida Inc. The Duffs' son, Reggie, is chief of security at TBN.

The NMTV application to buy the financially troubled Portland station makes no mention of Duff's status as an employee of TBN, and there is no written record of further inquiries by the FCC.

According to Alan Glasser, a

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MINORITY: Clause Was Treated Liberally

Continued from Page 5
staff attorney with the FCC, the commission requested additional documentation from NMTV to make certain that each of the three listed directors had equal voting rights in the corporation.

"We had our doubts," Glasser said. "It doesn't take a quantum leap to see that Mr. Crouch had the money required to buy, build and equip the stations."

But after examining the corporation's papers, Glasser said, the commission decided that NMTV's structure was "consistent with the policy" providing for minority ownership and control. He said he could not recall whether commission officials were aware that Duff was Crouch's employee, but if they had been aware of it, it would have been considered "a minor thing."

Declined Comment

Crouch, who said recently that it seems as though "the FCC is working for TBN most of the time these days," declined to comment on minority participation in NMTV.

Duff did not return phone calls from The Times and there was no answer at the telephone number listed at the address that Espinoza filed with the FCC.

One FCC observer, Andrew Schwartzman of the Media Access Project, a Washington-based group, said the FCC is "not disposed to look too carefully" at compliance with the spirit of the minority ownership provision.

National Minority Television is not the only instance in which Crouch has approached members of minority groups in order to expand TBN's influence.

All American TV Inc., a nonprofit corporation with offices in the City of Commerce, owns four full-power, commercial UHF stations, all carrying TBN's Christian programming. These are in Gadsden-Birmingham, Ala., La Salle-Chicago, Ill., St. Joseph-Kansas City, Mo. and in Bartlesville-Tulsa, Okla.

According to documents filed by TBN with the IRS, TBN, in 1987, had an outstanding loan to AATV of \$3.75 million, a "significant portion" of which is still owed, according to All American. During that same period, AATV reported an operating deficit of more than \$800,000 and a net worth of minus \$1.5 million.

In mid-1988, Terry Hickey, TBN's vice president of finance and

its highest-paid employee apart from Crouch, left TBN to become executive director of AATV. Hickey declined to return repeated phone calls and Paul Crouch did not respond to inquiries.

However, the president of All American TV, Sonny Arguinizoni, did respond to written questions from The Times regarding his and All American's relationship to Crouch and TBN. AATV was founded, Arguinizoni said, by himself and Nicky Cruz, author of "The Cross and the Switchblade," who now serves as vice president and a director of the company. According to documents filed with the IRS by All American TV, neither Arguinizoni nor Cruz receives any pay for their work as officers and directors of the company.

Arguinizoni, a 49-year-old former New York gang member and heroin addict, has for nearly 30 years ministered to troubled Latino young people. Of Puerto Rican background, Arguinizoni escaped his drug addiction and troubled youth with the help of Cruz and urban evangelist David Wilkerson, a story recounted in Arguinizoni's autobiography, "Once a Junkie."

Arguinizoni came to California to attend the Latin American Bible Institute in La Puente, which is operated by the Assemblies of God—the denomination to which Crouch belongs—and went on to establish a church and street ministry called "Victory Outreach," now located in La Puente.

Free Use of Studios

For more than 7 years, Arguinizoni has hosted a weekly, half-hour talk show on TBN—a show produced and paid for by the network—called "Treasures Out of Darkness." In addition to the loan to AATV and the program-affiliation agreement with TBN, Arguinizoni said, TBN provides AATV with the free use of its Tustin studios for local production.

According to a source familiar with the terms of the agreement between TBN and All American, who asked that his name not be used, Arguinizoni is committed to running TBN's complete menu of programming for at least the next 5 years.

Research assistance for this article was provided by Lori Silver in Washington.

FULL POWER AFFILIATION AGREEMENT

THIS AGREEMENT by and between Trinity Christian Center of Santa Ana, Inc. d/b/a Trinity Broadcasting Network (TBN), licensee of KTVB-TV, Channel 40, Santa Ana, California, P.O. Box A, Santa Ana, California 92711, and Christian Faith Broadcasting, Inc (Broadcaster), permittee or licensee of a full power television facility in Sandusky, Ohio, on Channel 52, call sign WEGN, hereby mutually covenant and agree as of this 15 day of January, 1991, as follows:

WITNESSETH

WHEREAS, TBN believes its programming to be of special significance to certain segments of society; and

WHEREAS, TBN places great value in the distribution and dissemination of its specialty religious programming; and

WHEREAS, TBN wishes to foster the development of religious broadcasting by allowing additional broadcasters to rebroadcast its signal; and

WHEREAS, Broadcaster recognizes TBN's need to maintain order, continuity and predictability in the presentation of its programming to the public; and

WHEREAS, Broadcaster recognizes the programming excellence of TBN, and the technical and financial benefits extended to it through an affiliation with TBN;

NOW, THEREFORE, the parties, in consideration of the terms and conditions contained herein, mutually agree to be bound by this agreement in its entirety.

I. DEFINITIONS

A. FCC and Commission are both understood to mean Federal Communications Commission.

B. FCC authorizations are understood to mean construction permits and/or licenses to broadcast issued by the Federal Communications Commission.

C. Airtime is understood to mean the period of time during which a television broadcast signal is being transmitted.

D. Community of license is understood to mean the community for which the Broadcaster has been licensed to broadcast.

E. CATV system is understood to mean a community antenna television system authorized by part 76 of the Commission's rules and regulations.

F. Regularly Scheduled Programs are programs which have been aired at the same time, with the same title and duration for a period of two (2) month(s).

G. Optional Programs (or programming) are programs which do not appear in the attached current TBN program schedule (Exhibit A), or subsequent updated TBN program schedules.

H. Prime Time is understood to be five (5) o'clock p.m. to eleven (11) o'clock p.m. Pacific Standard Time.

I. Telethon means a continuous twenty-four (24) hour fundraising broadcast originated and produced by TBN.

J. Satellite means any of the C-band or KU-band satellites in geosynchronous orbit from which TBN provides its program service to Broadcaster.

II. OBLIGATIONS OF TRINITY

A. TBN agrees that Broadcaster shall have the right to broadcast all of TBN's programs transmitted by Satellite.

B. TBN agrees that as long as Broadcaster continues to comply with the terms of this Agreement and with the airtime/broadcast requirements dictated by the type of authority granted the Broadcaster by the FCC and operates at the maximum power authorized for such facilities by the FCC, and subject to its rights in the program material and to pre-existing agreements, TBN shall not authorize the use of its programming on a similar basis by any other Full Power Television Station licensed to operate in the Broadcaster's community of license; provided, however, that TBN shall have the right to authorize any Station to broadcast any of its programs on a matter of immediate national concern.

III. OBLIGATIONS OF BROADCASTER

Broadcaster agrees to broadcast PRAISE THE LORD at its live satellite time Monday through Friday, 7:00 p.m. to 10:00 p.m. Pacific Standard Time; plus five (5) additional hours per day, Monday through Sunday, of programs of its choice selected from the TBN schedule of programs. Such broadcasts shall be on the following terms:

A. Broadcaster shall be obligated to carry all of TBN's telethons in their entirety without interruption or insertion of any spots or other material, excluding required Station identifications. TBN shall conduct telethons during two (2)

five-day periods each year during the term hereof, the dates of which shall be determined by TBN. If entire telethon is not carried, not more than \$16,000.00 will be returned monthly.

B. If Broadcaster is authorized by the FCC to operate a translator station, it agrees to broadcast the same programming included in this Section III, and the same TBN telethons included in section III.1. listed above, over said translator station(s).

C. Broadcaster shall not delete the TBN identification, nor shall it insert between segments of any TBN programming any announcements or advertisements which shall be inconsistent with TBN's fundamental Christian morals and standards which include, but are not limited to any and all "R" or "X" rated movie advertising; advertising for contraceptives, alcoholic beverages, feminine hygiene products of a personal nature, or abortion clinics; any advertising containing positive connotations in reference to the occult, witchcraft, astrology, horoscopes, magic (such as mystic science), gambling, tobacco products, controlled substances or sexual promiscuity. If Broadcaster inserts any announcements which TBN deems inconsistent with the standards set forth above, the same shall be considered a breach of this Agreement and TBN shall have the right to terminate the Agreement after giving Broadcaster a reasonable opportunity to cure the breach.

D. Broadcaster shall not delete the TBN identification, or the program promotional or production credit announcements from any TBN program, except that Broadcaster may omit announcements pertaining to a program that Broadcaster is not going to

Broadcast. For any such deleted material, Broadcaster may substitute only promotional announcements pertaining to other TBN programs or public service programs.

E. If Broadcaster is authorized by the FCC to operate an originating full-power television station, it has the right to broadcast up to twenty-four (24) hours per day of TBN's satellite fed programs. Broadcaster shall not broadcast the primary or flagship program of any other major Christian program producer or network without the mutual consent of TBN.

F. Broadcaster agrees, without limitation, that nothing herein shall be construed as to give Broadcaster the right or privilege of reviewing or auditing any books, statements of accounts, or donation receipts of TBN, including donations and receipts from within Broadcaster's actual service contour, and Broadcaster hereby agrees and warrants that its sole remedy in the event of default by TBN is cancellation of this Agreement, and Broadcaster hereby further agrees and warrants to hold TBN harmless from any action, or defense of any action, including the payment of attorneys fees and court costs, seeking any other remedy but cancellation. .

IV. DELIVERY

Broadcaster agrees to provide a domestic satellite earth station suitable for receiving program material distributed by TBN. TBN will deliver its programming to Broadcaster via satellite, program transmission lines or microwave relay (herein collectively referred to as "via satellite"). Broadcaster shall be solely responsible to maintain and service its equipment.

V. PROGRAM RIGHTS AND RECORDING

All right and title in and to all programming, including without limitation, all copyrights, titles, names, stories, plots, incidents, ideas, formulas, formats, general content of the program, and other literary, artistic and musical or other creative material and intellectual property, other than that in the public domain, shall remain vested in TBN. Broadcaster agrees not to authorize, cause or permit TBN programming to be used for any purpose other than broadcast or promotion by Broadcaster. Broadcaster shall not allow any recording or tape delayed transmission by any other person or entity for any purpose whatsoever.

VI. BROADCASTER'S RIGHT TO SUBSTITUTE

Nothing contained herein shall prevent or hinder Broadcaster from rejecting or refusing to broadcast any program which Broadcaster reasonably believes is necessary in order to comply with the FCC's Rules and Regulations, or from substituting for any program a program of outstanding local or national importance.

VII. DELAYED BROADCASTS

If TBN offers a program that Broadcaster is unable to broadcast at the time of the proposed transmission, and if TBN and Broadcaster shall agree on a delayed broadcast of it from video tape or other recorded version, the following provisions apply:

A. Each party shall be compensated for the delayed program as though it had been carried directly.

B. At the time of each delayed broadcast, Broadcaster shall announce that the program is a tape or other recorded version of a program that was presented earlier.

C. Broadcaster shall use such tape or other recorded version only for the purpose herein contemplated, broadcasting it only at the time agreed upon and comply with TBN's instructions concerning its disposal.

D. TBN reserves the right to discontinue, upon 24 hours notice, any arrangements with respect to any delayed broadcasts of TBN programs.

VIII. PERFORMING RIGHTS LICENSES

TBN shall maintain such license, including performing rights licenses, as now are or hereafter may be in general use by television broadcasting stations and as may be necessary to enable broadcast of TBN programs. TBN shall endeavor to enter into appropriate arrangements to clear at the source all music in the repertory of American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc. (BMI), and of SESAC, Inc. used in TBN programming; thereby licensing the broadcast of music in such programs over Broadcaster's station.

IX. INDEMNIFICATION

TBN shall indemnify and hold Broadcaster harmless from and against any and all claim, damage, liability, cost, or expense (including legal fees, provided TBN has the option of either providing necessary legal services or agreeing with Broadcaster in the selection of such legal representation) reasonably incurred and arising from the broadcast of any material supplied

by TBN. Broadcaster will likewise indemnify and hold harmless TBN from and against any claim, damage, liability, cost, or expense (including legal fees) reasonably incurred arising from the broadcast of any material other than that supplied by TBN.

X. WARRANTIES

TBN and Broadcaster each represent and warrant to the other that each has the necessary power and authority to enter into this Agreement and fully perform its obligations hereunder.

XI. FORCE MAJEURE

TBN shall not be liable to Broadcaster for failure to deliver any program by reason of an act of God, labor disputes, breakdown of facilities, fire, flood, legal enactment, war, governmental order or regulation, or any other cause beyond its control. Broadcaster in turn, shall not be liable to TBN for failure by reason of any of the aforesaid contingencies to broadcast any TBN program Broadcaster has previously accepted or is obligated to accept and broadcast. Broadcaster shall not have the right to payment for any program not broadcast by reason of the aforesaid contingencies.

XII. CANCELLATION

This Agreement may be cancelled upon the following terms:

A. If the transmitter location, power or frequency of the station is changed at any time so as to effect adversely the area or population coverage of the Broadcaster's station, TBN may terminate this Agreement upon 60 days written notice to Broadcaster.

B. If Broadcaster airs programs or announcements immediately prior to or following the broadcast of TBN programming which are inconsistent with the fundamental Christian moral standards set out in paragraph III.3. above, this Agreement may be cancelled immediately by TBN by providing written notice of cancellation to the Broadcaster.

C. Upon serving written notice of the execution of an agreement contemplating the transfer or assignment of the Broadcaster's authority to operate its station, such as would require the filing of an FCC Form 314 or FCC Form 315, or successor forms of similar import, TBN may terminate this Agreement upon 30 days written notice.

XIII. NOTICES

Any notices given or required to be given hereunder shall be in writing, and shall be transmitted by prepaid certified mail or telegram addressed to TBN at P.O. Box C-11949, Santa Ana, California 92711, and to Broadcaster at: WGGV P.O. Box 2397
Sandusky, Ohio 44870 or such other address as either party may specify by notice similarly sent. Where notice is given by certified mail or by telegram, the date of mailing or the date of delivery to the telegraph office, as the case may be, shall be deemed the date of the giving of notice.

XIV. RIGHT OF FIRST REFUSAL OF TBN

In the event Broadcaster intends to sell the Station and to assign or transfer the license for the Station, Broadcaster shall give notice in writing thereof to TBN. Such notice shall specify the price and terms upon which Broadcaster intends to

make such a bona fide sale, assignment or transfer. Such notice shall constitute an offer to sell to TBN subject to approval by the Federal Communications Commission and subject to a definitive agreement incorporating said terms. Within 72 hours of delivery of said notice of a bona fide sales offer, if TBN intends to purchase the Station upon the terms specified, TBN shall deliver a written Notice of Acceptance to Broadcaster. If such notice of acceptance is not given within said time period, Broadcaster may sell to the third party upon such terms as are specified in the notice and offer to TBN.

XV. GENERAL TERMS AND CONDITIONS

A. The waiver of either party of a breach or default by the other shall not be deemed to constitute a waiver of any preceding or subsequent breach or default of the same or any other provision.

B. This Agreement may not be modified, renewed or discharged, except as herein specifically provided, or by an Agreement in writing signed by both parties.

C. The parties to this Agreement intend that all disputes and controversies of every kind and nature between the parties hereto arising out of, or in connection with, this Agreement as to existence, construction, validity, interpretation of meaning, performance, non-performance, enforcement, operation, breach, continuance or termination thereof, shall be arbitrated in Los Angeles or Orange County, California by a third person acceptable to the parties under the rules then obtaining of the American Arbitration Association or the Christian Legal Society's

arbitration service. Both parties agree to be bound by the decision of the arbitrator. The cost of such arbitration shall be borne as the award may direct. The award shall be rendered in such form that judgment shall be entered thereon in the highest court of the forum having jurisdiction thereof,

D. This Agreement shall be governed by the laws of the State of California.

E. This Agreement constitutes the entire agreement between the parties, all prior understanding being merged herein.

F. All parties agree that this Agreement was drafted and prepared by all parties, and accordingly, any claimed ambiguity should not be construed for or against any one party.

XVI. RATES AND PAYMENTS

A. Compensation to Broadcaster for its services performed under this Agreement, and for carrying TBN's programming, shall be eighty percent (80%) of the non-designated, unrestricted donation and contribution and identifiable income from the zip codes within the predicted coverage contour of Broadcaster's station, as defined in Exhibit A attached, less a - monthly deductible to compensate TBN for the donation income it was already receiving from said zip codes prior to commencement of broadcasting on Broadcaster's station. Broadcaster recognizes that TBN's donors and contributors are confidential, and in the event a dispute arises between TBN and Broadcaster over the amount distributed pursuant to this Agreement, or a dispute over whether a donation or contribution is unrestricted, nondesignated and identifiable as being from the zip code area identified in

Exhibit A, Broadcaster's sole remedy shall be cancellation, as provided in section III.6. Broadcaster also waives, without reservation, any right to demand an accounting or audit of TBN's ledgers, and books of account whatsoever, including, but not limited to, any accounting or donor receipt acknowledgments. For purposes of this Agreement, "unrestricted" or "nondesignated" donation or contribution shall mean those donations or contributions which have not been donated or contributed to TBN for a particular project, purpose or cause, and "identifiable" shall mean those donations or contributions which can be determined by return address or by postal stamp to be within the zip codes identified in Exhibit A.

B. Payment of said zip code income shall be made to Broadcaster on a monthly basis, beginning the month following the effective beginning date of this Agreement.

XVII. EFFECTIVE DATES OF AGREEMENT

The effective dates of this Agreement shall be from 1/10/91 to 1/10/92.

XVIII. SEVERABILITY

Should any provision of the Agreement be decreed illegal, invalid, or otherwise unenforceable, in whole or in part, by a court or federal agency of competent jurisdiction, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

XIX. NETWORK DESIGNATION

Should TBN, during the term of this Agreement, be considered a broadcast "Network" for purposes of FCC Rule 73.658 or

73.3613(a)(1), 47 C.F.R. sections 73.658 and 73.3613(a)(1), then this Agreement shall be: (1) modified and amended to conform to said FCC Rules, unless TBN shall at that time have a current and effective waiver of said FCC Rules, or (2) cancelled and terminated by TBN.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

TRINITY CHRISTIAN CENTER OF SANTA
ANA, INC., d/b/a TRINITY
BROADCASTING NETWORK

By: *Paul F. Crouch*
Paul F. Crouch, President
Assistant to the President

By: *Rusty Yost*
RUSTY YOST, General Manager / VP

AFFILIATION AGREEMENT

AGREEMENT BY AND BETWEEN Trinity Broadcasting Network, Inc. (TBN) licensee of KTNB-TV, Channel 40, Santa Ana, California, P.O. Box A, CA 92711, and All American Television, Inc., a non-profit California Corporation (Broadcaster), licensee of full power television broadcast station on Channel 16, hereby mutually covenant and agree, as of this first day of OCTOBER, 1986 as follows: ST. JOSEPH, MO.

WITNESSETH

WHEREAS, TBN Believes its programming to be of special significance to certain segments of society; and

WHEREAS, TBN places great value in the distribution and dissemination of its specialty religious programming; and

WHEREAS, TBN wishes to foster the development of religious broadcasting by allowing new broadcasters to broadcast its programming; and

WHEREAS, Broadcaster recognizes the programming excellence of TBN, and technical and financial benefits extended to it through an affiliation with TBN;

NOW THEREFORE, the parties, in consideration of the terms and conditions contained herein, mutually agree to be bound by this agreement in its entirety as follows:

1. DEFINITIONS

A. FCC and the Commission are both understood to mean the Federal Communications Commission.

B. Television Station or Broadcaster is understood to mean a television broadcast station authorized by the FCC under Part 73 of the Commission's Rules and Regulations and the licensee thereof.

C. FCC authorizations are understood to mean construction permits and/or licenses to broadcast issued by the Federal Communications Commission.

D. Airtime is understood to mean the period of time during which a television broadcast signal is being transmitted.

E. Community of license is understood to mean the community for which the Broadcaster has been licensed to broadcast.

F. CATV system is understood to mean a community antenna television system authorized by Part 76 of the Commission's Rules and Regulations.

G. Regularly scheduled programs are programs which have been aired at the same time, with the same title and duration for a period of four (4) months.

H. Optional programs (or programming) are programs which do not appear in the attached current TBN program schedule (Exhibit A), or subsequent updated TBN program schedules.

I. Prime Time is understood to be five (5) o'clock P.M. to eleven (11) o'clock P.M. Pacific Standard Time.

2. PROGRAMMING:

Broadcaster shall have such rights to broadcast TBN's programming as follows:

(a) The term of the Affiliation Agreement will be for five (5) years, with option by TBN for two additional five (5) year terms as specified in paragraph 15.

(b) From 5:00 P.M. until 10:30 P.M. Pacific Standard Time, Sunday through Friday, TBN shall have exclusive broadcast time during these hours.

(c) In addition, TBN shall conduct telethons during two five day periods each year during the term of the Affiliation Agreement to coincide with TBN's national telethon schedules.

(d) Broadcaster shall have the right to conduct telethons twice each year provided that these periods are not within 45 days of the beginning or ending periods of TBN's telethons.

(e) Broadcaster will not televise any other flagship programs of major Christian networks without mutual consent of TBN and Broadcaster.

(f) Broadcaster shall have the right to broadcast up to twenty-four (24) hours per day of TBN satellite fed programs.

3. Payments:

In consideration of TBN's capital loans to Broadcaster, the identifiable zip code donations from Broadcaster's area shall be distributed as follows:

(a) For the first year of this Agreement TBN shall return to Broadcaster sixty percent (60%) of the zip code donations it receives as noted above, and TBN shall retain forty percent (40%) of such donations. Fifty percent (50%) of the donations retained by TBN shall be credited to Broadcaster as a pay down (amortization) of its debt to TBN, and fifty percent (50%) shall be retained by TBN for administrative costs and fees.

(b) At the end of the first year of this Agreement, TBN and Broadcaster shall review the percentage allocations specified above in paragraph 3(a) to determine whether they should be changed for purposes of increasing that percentage which goes to pay down (amortize) Broadcaster's debt to TBN. In the event TBN and Broadcaster can not agree on a percentage reallocation then the percentages established for the first year shall continue.

Broadcaster recognizes that TBN's donors are confidential, and in the event a dispute arises between TBN and Broadcaster over the amounts distributed pursuant to this paragraph 3 Broadcaster hereby waives, without reservation, its right to demand an accounting or an audit of TBN's ledgers and books of accounts, and under no circumstances shall Broadcaster have any right to review, whatsoever, TBN's ledgers or books of account.

4. Exclusive Use

Acceptance by Broadcaster of TBN's programming as provided in Paragraph 2 above shall constitute Broadcaster's agreement to broadcast TBN programming in accordance with the terms of this Agreement. TBN will not authorize the broadcast of the same program on any other television station serving Broadcaster's community of license. However, TBN shall have the right to authorize any television station or CATV system to broadcast or carry its programming on a matter of immediate national emergency.

5. Delivery

(a) Broadcaster agrees to construct a domestic satellite earth station suitable for receiving program material distributed by TBN. TBN will deliver its programming to Broadcaster via satellite, program transmission lines or microwave relay (hereinafter collectively referred to as "via satellite").

(b) If, for any reason, the transmission of any program via satellite is not feasible, or is determined by TBN to be impractical or undesirable, such program may be delivered to Broadcaster, at TBN's expense, in the form of tape or other recorded version.

(c) In cases where programs are not transmitted to Broadcaster via satellite, TBN may deliver to Broadcaster, transportation charges prepaid, a video tape or other recorded version of the program sufficiently in advance to enable broadcast of the program at the scheduled time.